

Comments:

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Complaint Regarding Postal Service Offering DOCKET # MC2012-26
ENHANCED SERVICES PRODUCT FOR COMPETITIVE PO BOXES

COMMENTS OF Robert P Krause Owner Mail Depot INC Virginia Beach VA 23452
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The enhanced PO Box services currently being applied for by the Post Office will create a competitive product with an unfair competitive advantage.

I have been in the Commercial Mail Receiving business for over 30 years. Most of our stores are Mom and Pop type operations. Many of the current owners are only just getting by while working long hours with small amounts of income generated.

I implore the Postal Regulatory Commission to stop this illegal incursion into private businesses like mine by the United States Postal Service.

The enhanced PO Box services currently being offered that I oppose include:

1. Offering Post Office Box renters the use of the Post Office street address for Post Office Box addressing.
2. Removing the PO Box designation when using a street address.
3. Offering Post Office Box renters email notification of mail delivery.
4. Offering Post Office Box renters the use of the “#” designation in lieu of a “P.O. Box” designation. The use of POB should be substituted for the # sign. Letting the PO Box customer use a designation that is currently used by CMRA locations can only lead to confusion and mistakes sorting mail.
5. Offering Post Office Box renters the ability to receive packages from private carriers.

In reality, these enhancements allow the USPS to offer an identical service to Private Mail Box (PMB) Service. The CMRA regulations established by the USPS create an unfair advantage for the USPS in offering those services. Those unfair regulatory advantages include, but are not limited to:

1. The requirement to handle mail for 6 months for departed or canceled customers with the forced forwarding requirement of new postage on all mail forwarded instead of free as it is for almost all other US citizens when they change their address.
2. The inability for PMB customers to file a change of address form once their contract has ended with the CMRA.
3. The inability for PMB customers to get the same free forwarding service offered to PO Box customers.
4. The use of a “PMB” or a “#” designator for CMRA customers.
5. Under the current Postal Service plan Saturday delivery will only go to their PO Box customers and not to CMRA customers.

Consider the following additional negative consequences that the Postal Service may have not considered.

1. How much Express Mail Revenue will be lost because customers can now send to P O Box Customers through UPS and Federal Express overnight services?
2. Storing incoming parcels from commercial carriers will take up valuable space.
3. Will the Postal Service be responsible for parcels that are mishandled at the Post Office?
4. When a P O Box customer never picks up a parcel delivered by a commercial carrier, how will it be handled?
5. How will postal workers be able to sort through incoming commercial parcels and reject those that should not be received?
6. What is the cost of handling these commercial parcels? Each one will have to be received, identified and notices placed in the customer's P O Box, then signed for when retrieved. This creates additional documents that must be stored.
7. The enhanced services will increase the wait time in line for all USPS customers.
8. How much will it cost to maintain an accountability system for the distribution of these commercial parcels?
9. The Postal Service keeps no photos of their P O Box customers. That will make tracking down people who commit criminal acts much more difficult for law enforcement.
10. What problems will occur with P O Box customers who have a large staff that will also start receiving commercial parcels using the street address?
11. As more and more Mail and Parcel centers are forced out of business. The Postal Service will lose the revenue these stores generate selling postal products at no cost to the Postal Service. Each Mail and Parcel center sells on average at least \$100,000 per year in Postal Products including Stamps, Express Mail, Priority Mail and Parcel Post.

Now consider additional consequences these new services will inflict on the local communities.

1. Lost Sales tax in states that charge sales tax on Private Mail Box Fees.
2. If Private Mail Box stores are forced to close and layoff employees. What will the costs of unemployment be?
3. The number of empty storefronts will only increase, hurting the property owners.

Every CMRA saves the Postal Service considerable revenue; The postal service can deliver mail to one delivery point and reach 100s of postal patrons who receive their mail there. In many cases the CMRA sends personnel to the Post Office to pickup the mail. The CMRA even supplies at no cost to the postal service the personnel who place the mail in the stores private mailboxes.

The Postal Service has no cost for the building and commercial space that houses the CMRA mailboxes. Should the new enhancements succeed in closing many of the independent Mail and Parcels centers, what will be the true cost to deliver the mail to those customers who now get their mail at 1000s of different locations.

It is unreasonable to ask small family businesses like ours to compete with the Post Office when that entity gives itself regulatory advantages on like services and products. These enhancements change the basic product, add services, and when combined with the CMRA regulations, create a distinct and unfair competitive advantage for the USPS.

Because PO Box rental rates were increased in areas changed to competitive pricing the Postal Service has lost over 66,000 PO Box customers. Only 2% of the PO Box customers eligible for the new services have signed up for them. Those figures are from the Postal Services filings before the PRC.

It is my opinion after being in the Mail and Parcel business for over 30 years that the services the Postal Service is trying to get approved will be a total disaster creating longer lines and only make their revenue crisis worse.

I respectfully request that the Commission force the Post Office to cease offering these PO Box enhancements as soon as possible. Or, if the enhancements are approved the Postal Service should have to provide a study into the true costs to provide these enhancements.

Also, should these enhancements be approved the PRC should require the Postal Service to scrap every one of the CMRA regulations that currently give the Postal Service a competitive advantage over the privately owned Mail And Parcel Stores mail box rental services. We need a level and fair playing field.

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Respectfully Submitted
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